

## **WORLD RICE SITUATION AND OUTLOOK**

**Year-to-Year Changes:** Global trade in 2003 is estimated at 26.5 million tons, down 1.4 million tons from last year's estimate. Global production in 2002/03 is estimated at 381.4 million tons (milled basis), down 17.2 million tons from 2001/02. Global ending stocks in 2002/03 are estimated at 108.4 million tons, 27.5 million tons below 2001/02; this reduction is mainly in China and India. Global consumption in 2002/03 is estimated at 408.9 million tons.

**Price:** Export price quotes firmed over the past 4 weeks. Thai 100B increased \$7 and is currently quoted at \$208 per ton (FOB). This is due in large part to the strengthening of the Thai Baht against the U.S. dollar. Viet 5% climbed to \$184 per ton (FOB) early in the month, then fell \$4 to \$180; up \$4 from last month. Prices in Vietnam softened on smaller demand from the Philippines and the absence of new business to Iraq. India's 5% quote has increased \$8 for the month and is at \$185 per ton as the Government announced a hike in its sale price to exporters. The Government is attempting to slow exports as ending stocks fall to near buffer levels.

The spread between U.S. #2/4 and similar Asian qualities remains about the same as both Asian and U.S. price quotes increased over the past month. The price quote for U.S. long grain grade #2/4 is up \$5 at \$296 per ton (FOB). U.S. stocks continue to be depleted on strong demand from Latin America, particularly Brazil.

### **Trade Changes in 2003**

#### **Selected Exporters**

- **United States** is up 50,000 tons to 3.6 million based on pace to date and continued demand in key markets such as Brazil and Venezuela.
- **South Korea** is up 200,000 tons to 300,00 based on anticipated food aid donations to North Korea in the coming months.

#### **Selected Importers**

- **United States** is up 35,000 tons to 425,000 based on increased imports by Puerto Rico from China. The U.S. Jones Act increases the relative shipping cost of trade between the U.S. and Puerto Rico. Consequently, in the recent past, Puerto Rico imported from Australia. Currently, however, lower-than-expected exportable supplies in Australia have forced the buyer to find supplies in China.
- **Bangladesh** is up 200,000 tons to 700,000 based on insufficient domestic supplies and Indian exports.
- **Iran** is down 250,000 tons to 750,000 based on sufficient domestic supplies.

- **North Korea** is up 200,000 tons to 500,000 based on expected food aid donations from South Korea.

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